

E-FILING FOR PERSONAL COMPUTER USERS

Washington -- Taxpayers with a computer and a modem may find it easier -- and possibly cheaper -- to file their tax returns electronically this year. The Internal Revenue Service Website has links to private sector firms that are participating in its e-file program and some tax preparation software packages include free e-filing.

As of February 13, the IRS had received more than 12 million e-filed returns, an increase of more than 16 percent over the same period last year. This includes about 3.3 million TeleFile returns -- a 24 percent increase -- and 218,000 e-files from taxpayers with personal computers, more than double last year's figure.

The IRS Website -- www.irs.ustreas.gov -- has links to several company sites where taxpayers may either download software or use an on-line service to complete and e-file their tax returns. The IRS does not charge for e-filing, but company fees range from \$4.95 to \$19.95 for individual returns, depending on the product used.

The Website also lists tax preparation software that the IRS has accepted for its on-line filing program. The software is available at computer stores or through company Websites. Some software includes e-filing at no additional cost, while others charge for transmission services.

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To use on-line filing, a taxpayer transmits the completed tax return file to an intermediary firm, which electronically converts the file to IRS specifications and sends it on to the IRS. Within 48 hours, the IRS notifies the taxpayer via e-mail if the return is accepted or, if not, which items the taxpayer must correct.

After the IRS accepts the return, the taxpayer mails any W-2 forms to the IRS along with a signed Form 8453-OL. This one-page signature document is provided by either the tax preparation software or the on-line filing company.

Each on-line taxpayer may transmit up to three income tax returns -- for example, a married couple could transmit their joint return and the returns for two of their children. Some software packages also offer on-line filing for state tax returns.

E-filing offers greater accuracy, acknowledgment that IRS accepts the return, an earlier refund and direct deposit of the refund to the taxpayer's checking or savings account. A taxpayer who e-files early and owes additional tax still has until April 15 to send the payment.

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1998 FILING SEASON STATISTICS

Cumulative through the week ending 2/14/97 and 2/13/98

	<u>1997</u>	<u>1998</u>	<u>% Change</u>
Individual Income Tax Returns			
Total Receipts	25,016,000	24,013,000	- 4.0
Total Processed	14,113,000	15,460,000	9.5
E-filing -- Total Receipts:			
Standard E-file	7,667,000	8,741,000	14.0
TeleFile	2,635,000	3,271,000	24.1
Refunds Certified by the Martinsburg Computing Center:			
Number	12,974,000	14,199,000	9.4
Amount of principal	\$20.310 billion	\$22.705 billion	11.8
Average refund	\$1565	\$1599	2.1